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FIELDS OF GREEN: A Proposal To Save Baseball

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FIELDS OF GREEN
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FIELDS OF GREEN
A Proposal to Save Baseball

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> I know how things are going to turn out...The people who come here will be drawn...People will decide to holiday in the Midwest for reasons they can't fathom or express...They'll turn up your driveway, not knowing for sure why they're doing it, and arrive at your door, innocent as children, longing for the gentility of the past...They'll walk out to the bleacher and sit in shirtsleeves in the perfect evening, or they'll find they have reserved seats somewhere in the grandstand or along one of the baselines--wherever they sat when they were children and cheered their heroes, in whatever park it was, whatever leaf-shaded town in Maine, or Ohio, or California. They'll watch the game, and it will be as if they have knelt in front of a faith healer...The memories will be so thick that the outfielders will have to brush them away from their faces...I don't have to tell you that the one constant through all the years has been baseball. America has been erased like a blackboard, only to be rebuilt and then erased again. But baseball has marked time with America has rolled by like a procession of steamrollers. It is the same game that Moonlight Graham played in 1905. It is a living part of history...It continually reminds us of what once was, like an Indian head penny in a handful of new coins.
>
> (Kinsella, 211)

This passage is from the novel Shoeless Joe (which later became the movie "Field of Dreams"), a story about dreams fulfilled through baseball. This story highlights all that is good in the game and gives baseball an almost mystical quality and rightly so. After all, throughout most of American history there has been baseball. It has survived, essentially unchanged, two World Wars, a Great Depression, and countless other events. No matter what was happening in the country, or world, the familiar phrase "Play Ball" could always be heard somewhere. Children could sit in the bleachers of Wrigley Field and experience the same sights and sounds that their parents, grandparents, and even great-grandparents did as they sat in those same bleachers. Baseball has become a part of Americana. It allows us to connect to days gone by and has given us some of our greatest heroes whose accomplishments we can vicariously share. James Thurber wrote that the majority of American males went to sleep at night dreaming about striking out the entire batting order of the New York Yankees.

Baseball does have its magical qualities. As one sits in the bleachers he can forget about the trials and tribulations of his everyday life and concentrate on the flight of the ball or the fact that the rightfielder has dropped two flyballs and struck out three times. However, under the peacefulness of the game on the field resides a side of the game that closely resembles that in which we turn to baseball to forget about. On the field the game is celebrated because of its intense confrontations between pitcher and hitter. Off the field baseball has a reputation, at least in recent years, for hostile showdowns between players and owners.

The main conflict between the two sides has usually centered around the players' salaries. Whether or not they should be set and controlled by the free market or some other, arbitrary, system has been the most recent focus. Currently, they are set by the free market. The players wish to keep it that way but the owners desire to install a mechanism that will control them. The free market has not always operated in baseball. In fact, it is a relative rookie on the scene and the fact that baseball survived with out the principles of a free market is what is urging the owners to somehow limit the market in baseball. The owners want to return to the days when the free market did not dictate salaries.

Prior to 1976, the owners "owned" the players. That is, they thought they had the right to continuously renew a player's contract for as long as the wanted the services of that player. They based that right on their interpretation of Section 10A of the Uniform Players Contract (the contract that every player signed and which was identical in all respects except in terms of salaries above the minimums). Section 10A is known as the Reserve Clause and reads as follows:

> On or before January 15... the Club may tender to the Player a contract for the term of that year by mailing the same to the Player. If prior to the March 1 next succeeding said January 15, the Player and the Club have not agreed upon the terms of such contract, then on or before 10 days after said March 1, the Club shall have the right...to renew this contract for the period of one year.

(Helyar, Lords 35)

The owners felt that, once they signed a player to a contract, they could renew that contract when it expired and by renewing it they retained the right to an option year after the renewed year. So, in effect, the owners had total control of their players' rights for as long as they wanted because once the player signed a contract it could be renewed infinitely. For the most part, the players agreed. However, in the late sixties and early seventies this all changed.

In 1966, Marvin Miller was named executive director of the Major League Baseball Players Association (MLBPA). When he first read Section 10A he did not see matters in the same light as the owners did. Miller interpreted the Reserve Clause to mean that a team could renew a contract for one year and one year only (Helyar, Lords 35). That is, the contract was renewable only once and after the player played out his option, he should rightfully become a free agent.

Free agency would bring about the realization of the owners' worst nightmares. They would no longer have complete control over their players. The players would have the ability to change teams as they please and, worst of all, the owners would have to bid for their services. With free agency the owners would be unable to simply renew contracts at salaries they saw fit, this would give the players leverage in contract negotiations. If the player did not like the offer he would be able to offer his services to other teams. The owners needed to do anything they could to prevent the players from realizing free agency.

The only thing that kept Marvin Miller from pursuing free agency was having a player act as guinea pig. He would need a player to play out his option. That is, when a team renewed a contract the player needed to refuse to sign the renewed contract. This would cause the confrontation that Miller needed. However, the owners were not going to let a player get that far. Ted Simmons became Miller's first guinea pig in 1972. He refused to sign for the 1972 season so the St. Louis Cardinals renewed his contract (Helyar, Lords 125). Unwilling to let a player proceed far enough to test the reserve clause, the owners applied pressure to the Cardinals to get Simmons signed before the season ended. During the season, the Cardinals succeeded in getting Simmons to sign; however, they resorted to giving him a previously unheard of two year contract (Helyar, Lords 126). The owners had averted a confrontation this time but there would be more players and Miller was not going to give up.

In 1974, Miller got the idea of free agency in the door. Jim Hunter, a pitcher for the Oakland Athletics, was declared a free agent by arbitrator Peter Seitz because the A's defaulted on his contract (Helyar, Lords 140). What followed Seitz's decision was a frenzy by the owners as they bid against each other for Hunter's services. In the end, the effects that free agency would have became obvious. Hunter's previous contract was for $200,000 over two years; his new contract, which was a result of his free agency, was for $3.5 million dollars over five years. Seeing the effect that free agency would have, the owners had to find a way to keep the players from winning their freedom.

After the Hunter decision the owners devised a way to protect themselves from free agency - salary arbitration. Under this system a third party would make salary decisions when both sides could not agree. This protected the owners from themselves but failed to address the potential problem of free agency. Marvin Miller was not going to settle for arbitration; rather, he was going to take arbitration and eventually win free agency to go along with it.

In the owners' effort to protect themselves from free agency, they created a system that was even more damaging. In free agency the owners still would have some say in salaries. After all, the owners could always refuse to pay a salary they saw as too incredible. However, under salary arbitration the owners had no say in the final decision on salaries. It would be the independent arbitrator, who often times had no baseball background or knowledge, who set salaries. When the owners were debating salary arbitration, Charlie Finley, the owner of the Oakland A's, cautioned them that they could not win with this system because it will drive up the average salary every year (Helyar, Lords 152). Finley had allies in his feelings, Dick Meyer, labor chief of Anheuser-Busch (parent company of the St. Louis Cardinals), echoed his sentiments when he said, "This (salary arbitration) will be the ruin of baseball" (Helyar, Lords 152). History proved both men to be prophets as salary arbitration has contributed more to the inflation of salaries than free agency. This episode helps to reflect the owners' shortsightedness in the fact that they tend to create stop gap solutions that smooth over problems in the short run but are even more problematic and dangerous in the long run.

On December 23, 1975, Marvin Miller read Peter Seitz's decision in the *John A. Messersmith v. Los Angeles Dodgers* case. This was the case that resulted from Messersmith completing the 1975 season without a contract and, thus, testing the reserve clause. With these words from Seitz's decision Miller finally established free agency for baseball players:

> The grievances of Messersmith and McNally are sustained. There is no contractual bond between these players and the Los Angeles and Montreal clubs, respectively. (Helyar, Lords 169)

Now, not only did Miller have arbitration, he had free agency.

Free agency was not without its dangers for the players. Marvin Miller knew that if he sought total free agency, that is, everyone without a contract could test the free agent market, he would actually restrict the players ability to maximize their worth. Under total free agency there would be a flooded market every year which would work to depress salaries. In order to prevent this from happening, Miller gave back to the owners a scaled back reserve system. Under this system only players with "x" years in the majors would be eligible for free agency. By doing so, he restricted the supply of free agents in any given year which would prevent the market from flooding.

As a result of the Seitz decision and the owners' gift of arbitration, there was created a system that would enable the players to watch as their salaries escalated from an average of under $45,000 in 1975 to over $1 million in 1993 (Fischler, 59). Under the current structure of this system, players can become free agents after their sixth season in the majors. They are eligible for arbitration after around their second or third season. So, in effect, the players belong to the team for their first six seasons. The salaries that they receive are the decision of the team for the players' first three years. After that they are the result of the arbitrators' rulings, and after their sixth year salaries can be set by the free market.

Another issue that is a factor in player/owner relations is collusion. There is language in the Basic Agreement (the collective bargaining agreement between the leagues and the MLBPA) that prohibits either side to act in a collusionary way. The fact that this language exists is another example of the owners habit of seeking a quick fix that is harmful in the long run. It was the owners who demanded the anti-collusionary language to prevent the players from acting in unison in contract matters. It is also the owners who were convicted of collusion and forced to pay a large fine to the players.

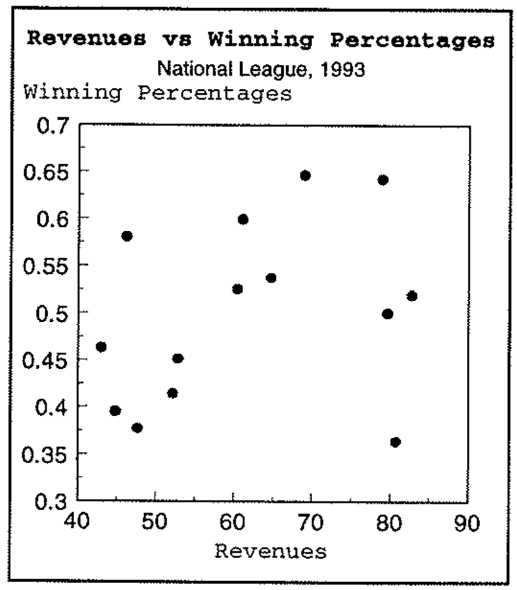
In the spring of 1966, Don Drysdale and Sandy Koufax, both star pitchers for the Los Angeles Dodgers, staged a holdout. Neither player was happy with the contract offers made by the Dodgers. So, in an attempt to bolster their bargaining power, they held out in tandem, that is, neither would return unless both got satisfactory contracts (Jennings, 20). This sent shock waves throughout the ownership circle. No owner wanted to see the best two pitchers in the National League sit out the season. The ploy by Drysdale and Koufax worked and both ended up with contracts worth substantially more than the Dodgers' original offers. The owners, to protect themselves from ever being forced into this predicament, had the anti-collusionary language added to the Basic Agreement. The players, for their part, felt this was okay and just made sure that the language also prevented the owners from acting in unison.

During the off-season between the 1985 and 1986 seasons we see collusion again. This time, however, it is the owners who are guilty. Then-commissioner Peter Ueberroth enforced an unwritten policy stating that no team should enter into a long term contract with a player nor should they attempt to sign any free agent that is still wanted by his former team (Sands, 74). As a result of this agreement, only two quality free agents from a group of eight signed with new teams, albeit at salaries far below their market value (Sands, 74). The MLBPA sensing that something was going on, especially after the previous off-season contained a frenzy of free agent activity, filed a grievance with an independent arbiter. In 1987, the arbiter, Tom Roberts, finally made his decision: the owners were guilty of restricting the competitive bidding process (Sands, 79). Once again, the owners were caught by one of their own devices.

Collusion had more than just a monetary effect on baseball. It also effected the players' view of the owners and their relationship. As a result of collusion, the players began to mistrust the owners more than ever. After all, collusion was a deliberate attempt to violate their Basic Agreement (Sands, 80). Now the players would never be able to fully trust the owners without wondering if they had any ulterior motive for their actions. The owners, for their part, simply shrugged off collusion saying that it was merely a strategic business move (Sands, 81). It may have been a "strategic business move" but, nonetheless, it was illegal and will forever scar the relationship between players and owners.

The topics that have been discussed so far are all factual and documented. There are, however, other ideas that have consequences for the game of baseball. One such idea is that money translates into success. This is often a widely held belief. Unfortunately, it is not necessarily true, especially, when we see a low revenue team such as the Twins win two World Series in the span of five years. Yet, teams such as the Cubs and Yankees, two well endowed teams, have not even appeared in a World Series for quite some time.

The following graph shows the relationship between revenues and winning percentages for the National League in 1993 (revenues are from Ozanian, 52; winning percentages from "National League Standings", 18). As we can see there does not exist a strong relationship between the two. This helps to dispel the belief that money leads to success.



While more money does not necessarily equal greater success on the field, the theory that it does has some merit. Money allows teams to remain successful because, often times, as a team becomes more successful it tends to become more expensive. As we currently see, the Atlanta Braves have been able to remain successful over the past few seasons because they have the financial ability to keep its players even as they became more and more expensive. On the other end of the spectrum, the Pittsburgh Pirates fell from the verge of establishing a dynasty in the early nineties to a team that has recently found itself at the bottom of the standings. This downfall occurred because the Pirates were not able to afford their star players and were forced to watch them sign large contracts with other teams.

This phenomena is particular disturbing because it has the potential to turn the major leagues into a two-tiered league. The rich teams would thrive and become successful by buying talent from the teams that could not afford to keep their players. Meanwhile, the poorer teams would slip to a level comparable to the minor leagues in that they would develop players then, in essence, sell them off to the teams who could afford them.

Another idea that has a detrimental consequence for baseball is the owners' egos. Each and every one of the twenty-eight owners of a Major League Baseball franchise has succeeded in another business venture prior to entering baseball. However, once they enter the realm of our national pastime, they seem to abandon the practices that made them successful. Most notably, they appear compelled to overspend on labor. The easiest answer as to why they do this is that they have egos. That is, every owner wants to win a World Series. After all, what person would not feel the least self-gratified if he or she brought a World Championship to such title starved teams as the Cubs or Indians or Red Sox?

By saying that the owners' judgements are often clouded by their egos refers to the belief that each owner has that they are merely one player away from bringing home that World

Series trophy. The irony to this is that that player is always one of the players on the free agent market. Feeling as if that player is the key, the owner will tend to throw reason to the wind and sign him no matter what the costs.

Another effect that the owners' egos has is that baseball has the ability to thrust these people into the national spotlight (or, at the least, onto the local front page). When owners sign middle of the road players to average contracts not much attention is thrown their way. However, when an owner brings a superstar to town it has the potential to become the lead story on the local news or ESPN's *Sportcenter*. Also, when multi-year, multi-million dollar contracts are signed they tend to garner national attention.

When discussing how the owners' judgement tends to be clouded by short term solutions and self-gratifying egos, I am reminded of a quote by Ring Lardner, who some seventy years ago concluded that no owner is going to the poorhouse, but the asylum is a definite possibility (Jennings, 73). What Lardner was suggesting is, even in the early history of baseball, many of the problems faced by the owners were brought about by themselves. Despite many of today's problems having been self-inflicted by the owners, we can not deny the fact that baseball is in trouble and actions need to be taken in order to guarantee its survival in the future.

> The idea of community. The idea of coming together - We're still not good at that in this country. We talk about it a lot. Some politicians call it 'family.' In moments of crisis we're magnificent at it....At those moments we understand community-helping one another. In baseball, you do that all the time. You can't win it alone. You can be the best pitcher in baseball but somebody has to get you a run to win the game. You need all nine people helping one another....I love the idea of the sacrifice. Even the word is good. Giving yourself up for the good of the whole....You find your own good in the good of the whole. You find your own individual fulfillment in the success of the community.
>
> -Mario Cuomo (Ward, 384)

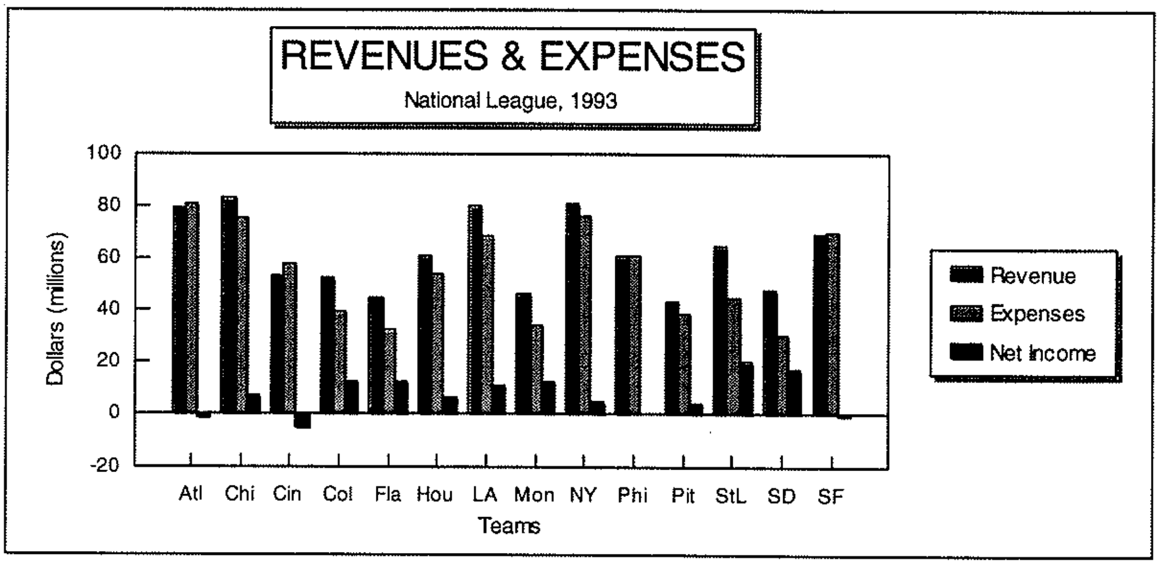
Mr. Cuomo was referring to the way baseball is played on the field. However, the idea of community can also be transposed onto the affairs of the front offices. Throughout history the owners of Major League Baseball teams have acted in their individual interests. They did what they deemed best for their own team. In their efforts to better themselves they often acted irresponsibly by overspending on players, contributing to a pay scale that is ever escalating. Recently, when they finally came to the realization that they needed to act together in order to prevent the financial ruin of the game, they went overboard and were convicted of collusion. Today the owners have decided that, once again, they need to act in unison. This time, however, they were more out in the open with their plans so that there would be no accusations of collusion. Instead, the owners were out to change the whole financial structure of the game. They tried to unilaterally impose a salary cap in order to provide cost control. In reality, they are simply trying to save themselves from their own financial irresponsibility. To go along with this cap on salaries, the owners also decided to share revenues by some secret method.

The idea of revenue sharing in baseball is not that bad of an idea. As Mr. Cuomo stated, there is an intrinsic sense of community in the game. However, in their revenue sharing plan, the owners have tied this idea to a salary cap. To me this does not make any sense because the basic idea behind revenue sharing seems to be to distribute revenues more equally. This would involve a money transfer from teams with large revenues to those with small revenues. If the revenue that is to be shared comes from a tax on payrolls, as has been proposed by the owners with a tax on payrolls that exceed a preset limit (or cap), the money that is transferred will not necessarily come from the rich teams. In fact, under the owners' proposed plan, if applied to 1994 salaries, a high revenue team such as the New York Mets would not have been taxed. Meanwhile, the Cincinnati Reds, a low revenue team and one of the teams that lost money in 1993, would have paid a tax of over $11 million ("Tax Proposal", 3). This system of revenue sharing seems to contradict the reasons for revenue sharing. It is following this theory, that revenues should be shared more equally, that I have devised a plan for revenue sharing.

The essential theory behind my plan for revenue sharing is that the product of baseball is a game. Critical to the output of this product is the participation of two individual teams. That is, if only one team showed up for a game there would be no game and no game means no product which means no revenues. Using this theory it is reasonable to conclude that many game day revenues, and expenses, should be shared between both the home and visiting teams. In order to accomplish this sharing I would initially propose to change the structure of baseball. Instead of having all of baseball under the one heading of Major League Baseball, I propose the two leagues, the American League and the National League, would each become their own separate entity. Each league would consist of, in its present condition, fourteen teams. These teams, unlike in the present scenario, would be more interdependent on each other.

The interdependency that I am talking about is that each team will more equitably share both revenues and expenses. By sharing in the manner to be discussed, teams will realize that in order for them to prosper individually, the entire league must also prosper. This will cause the owners to work together rather than against each other.

Before any discussion of a revenue sharing plan can be discussed, we first must look at the current numbers. The following figures were compiled by Financial World (Ozanian, 52) and are for the 1993 season (the last complete season on record).



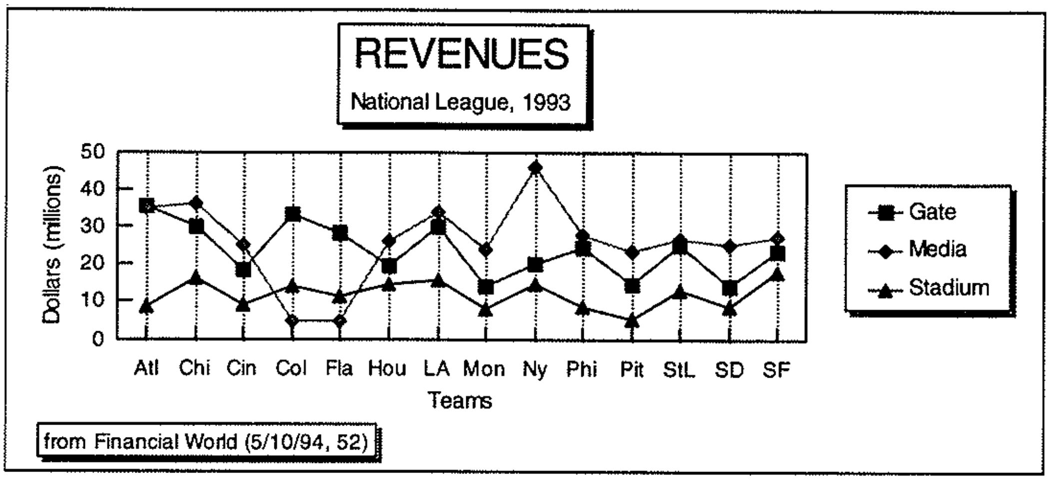
The chart shows team incomes vary widely. The most profitable team, the St. Louis Cardinals, had an income of $20 million; while the least profitable team, the Cincinnati Reds, lost $5 million. The league income was $102.7 million with an average profit per team of $7.3 million (standard deviation = 7.4 million). The chart also shows us the range of revenues. The Chicago Cubs had the highest revenues at $82.8 million.

The Pittsburgh Pirates had the lowest at $43.0 million. The total revenues for the league were $864.7 million with the average revenue per team being $61.8 million (standard deviation = 14.5 million).

There are many reasons for the discrepancies in these figures. The size of the market the team plays in, the talent of the play on the field, and the owners motives all play a role in the variation. Also, teams that have high payrolls will have proportionately higher expenses then those with low payrolls. These figures may not seem to be that unequal.

However, if we break down total revenue into different sources we discover some problems that can be addressed by my revenue sharing. Total revenues have been broken down into three main categories: gate, media, and stadium. Gate revenue consists of all gross receipts from ticket sales. Media revenue consists of all monies received as a result of national, local, cable, and pay-per-view television along with all radio broadcasts. Stadium revenues consist of all revenue brought in from luxury seating, concessions, parking, licensing, and other revenues which are generated by the stadium itself, such as advertising in and around the park and renting out of the stadium facilities.

As we can see from the graph, both gate and media revenues are quite varied according to team. The average gate



revenue was $23.7 million with a standard deviation of 7.1 million and a coefficient of variation of 0.3. Media revenues had an average of $26.2 million, standard deviation of 10.9 million, and coefficient of variation of 0.4. On the other hand, stadium revenue was relatively flat and constant with an average of $11.8 million, standard deviation of 3.9 million, and coefficient of 0.3.

Gate and media revenues are the revenue streams that directly result from the actual game. By contrast, the stadium revenues are directly a result of the individual actions of a team because they depend on the owners' actions of building luxury boxes or renting out the facilities. To this end I have redivided revenues into two groups: game day revenues (gate and media) and team (stadium). I have made these distinctions on the basis that all revenues received from the actual output of baseball should be more equally dispersed between the inputs of the game. As a result, it is the game day revenues that will be shared while the team revenues remain solely with the respective team.

Currently, there is little sharing of game day revenues. Gate receipts are shared between the home and visiting teams. However, the split is approximately 90/10 in the National League and 80/20 in the American League. If both teams are equally involved in the output of the product, why is one partner rewarded so much more than the other? Some reasoning for the inequity of the split may be that the home team should receive more of the gate because the fans are predominantly those of the home team. This is true to the extent that most people in Chicago who attend a Cubs' game do so because they are Cubs' fans and not, say, Mets' fans. However, if the Mets did not show up there would not be people in the stands either. Regardless of which team brings in the majority of the fans, both teams are equally responsible for the output and, therefore, should be paid in a manner more equal than a 90/10 split.

The current situation with media revenues is equally skewed. Major League Baseball has entered into agreements with various television and radio networks to broadcast baseball games nationally with the revenue from these contracts split equally among the twenty-eight teams. However, any revenues from local and cable broadcasts are kept by the individual team (teams who broadcast their games over superstations are required to pay a rights fee to a central fund which is then equally distributed among all teams (SEC, 6)).

It is no coincidence that the three team with the highest media revenues broadcast their games over superstations: New York Mets, WOR; Chicago Cubs, WGN; Atlanta Braves, WTBS. Is it fair that these three teams should keep almost one-third of the media revenue? After all, would any one of these teams be collecting 35-45 million dollars in broadcasting rights if they were not playing against the other eleven teams? Also, by virtue of these superstations being broadcast nationally, they infringe on the territories of the other teams. So, not only are the Braves, Cubs, and Mets enjoying the added benefits of a superstation, they are, in a way, "stealing" money from the other teams whose markets they broadcast their games in. This stealing occurs when, say, WGN broadcasts Cubs' games in Minnesota. The Twins do not have access to a superstation so they have to rely on local outlets. If they use a cable station that is not part of a basic cable package, or a pay-per-view package, they run the risk of losing viewers to the Cubs because the Cubs games will, essentially, be free, whereas, the Twins' games have a certain price associated with them. As more fans start to watch Cubs' games the Twins will become less attractive programming to the local stations. As a result, the amount the Twins can charge for their broadcasting rights will decrease while the Cubs can charge more. Now, imagine this happening in other major league cities and the superstation advantage becomes magnified. This fact makes sharing television revenues even more desirable.

It was these situations and questions that led me to create the revenue sharing plan that I will now present. Game day revenue will be divided as stated above (into game day and team). Game day revenue will now be referred to as shared revenue because it is these revenues that are to be shared as follows:

1) total amount collected will be divided in half
2) one half will be equally divided and distributed among the teams in the league
3) the other half will be distributed as follows:
    a) the amount the team contributes will be measured as a percentage of the collective contribution
    b) The team will receive back a percentage of the half equal to the percentage they contributed

In numerical formula:

$$TS = [(.5*TSR)/14]+[(TC/TSR)*(.5*TSR)]$$

where, TS = team's share of shared revenues

TSR = total shared revenues

TC = team's contribution to TSR

Looking at the numbers for the 1993 season, courtesy of Financial World (Ozanian, 52), we can implement this form of revenue sharing.

TEAM	TC	(.5*TSR) / 14	TC / TSR	(TC/TSR) / (.5*TSR)	TS
=====	====	====	=====	======	====
Atlanta	70.4	25.0	10.1%	35.3	60.3
Chicago	66.3	25.0	9.5%	33.2	58.2
Cincinnati	43.8	25.0	6.3%	22.6	47.0
Colorado	38.3	25.0	5.5%	19.2	44.2
Florida	33.7	25.0	4.8%	16.8	41.8
Houston	45.9	25.0	6.6%	23.1	48.1
Los Angeles	63.9	25.0	9.1%	31.8	56.8
Montreal	38.2	25.0	5.5%	19.2	44.2
New York	66.4	25.0	9.5%	33.2	58.2
Philadelphia	52.6	25.0	7.5%	26.2	51.2
Pittsburgh	37.9	25.0	5.4%	18.9	43.9
St. Louis	52.0	25.0	7.4%	25.9	50.9
San Diego	39.1	25.0	5.6%	19.6	44.6
San Francisco	51.1	25.0	7.3%	25.5	50.5
=============	====	=====	======	=====	=====
TOTALS	699.6	350.0	100.1%	350.5	699.9

Now we can add the total shared revenues to the team revenues to see the actual revenues of each team.

TEAM	Shared Rev.	Team Rev.	Total Rev.	Current Rev.	Change
====	====	====	====	====	======
Atlanta	60.3	8.6	68.9	79.0	-10.1
Chicago	58.2	16.5	74.7	82.8	-8.1
Cincinnati	47.0	9.1	56.1	52.9	+3.2
Colorado	44.2	13.9	58.1	52.2	+5.9
Florida	41.8	11.2	53.0	44.9	+8.1
Houston	48.1	14.6	62.7	60.5	+2.2
Los Angeles	56.8	15.8	72.6	79.7	-7.1
Montreal	44.2	8.0	52.2	46.2	+6.0
New York	58.2	14.4	72.6	80.8	-8.2
Philadelphia	51.2	8.5	59.7	61.1	-1.4
Pittsburgh	43.9	5.1	49.0	43.0	+6.0

St. Louis	50.9	12.8	63.7	64.8	-1.1
San Diego	44.9	8.6	53.2	47.7	+5.5
San Francisco	50.5	18.0	68.5	69.1	-0.6
=============	=====	=====	=====	=====	======
TOTALS	699.9	165.1	865.0	864.7	+/-0.0

Under the current system, the range of revenues is quite large at $39.8 million. After revenue sharing, however, the range shrinks to $25.7 million, a decrease of almost 33%. This system of revenue sharing allows the teams to be on a more level economic playing surface as evidenced by the shared revenues' standard deviation of 8.6 million (opposed to the current standard deviation of 14.5 million).

If revenues are shared, it seems reasonable to also share expenses. Just as I divided revenues into two categories, likewise, expenses can be divided into two categories those that: help promote the sport as a whole; and are unique to the individual team. League-wide expenses include such expenses as marketing, advertising, and traveling. These are the expenses that would be shared among the teams. Team expenses are those related to the players (ie. payroll, scouting and development, and spring training), the front offices (ie. staff and administration expenses), and stadium expenses (ie. grounds crew, stadium upkeep, and concessions). Unfortunately, I was unable to find any numbers to correspond with these expenses for the 1993 season.

In an industry where you compete against each other what possible reason could there be for sharing revenues? If I am successful as a team, why should I sacrifice in order for one of my competitors to survive? The answer to these questions is fairly simply: baseball, itself, is not an industry. Rather, it is part of the bigger sports industry. Baseball franchises do not vie against each other for fans (and revenue), they compete with teams from other sports. That is, for example, in June, the Chicago Cubs are not competing with the New York Mets, or any other baseball team, for fans (yes, you could say that they would have to compete with the Chicago White Sox but both teams hardly ever play in Chicago on the same day). They do, however, vie with the Chicago Bulls (basketball) and Chicago Blackhawks (hockey) for fans. It is because of this fact that baseball franchises need to come together and support each other. Baseball, as a whole, needs to win fans. The only way to accomplish this is to create a desirable package to sell to the fans.

Creating an attractive package requires the creation of, not necessarily strong teams, but strong leagues. Jim Finks, then general manager of the Minnesota Vikings, said it best when referring to the reason behind the National Football League's success in the 1960's, "There was a recognition by the right people that the league was no stronger than the weakest link." (Helyar, Lords 65). As a result of this recognition, the NFL owners took part in "league think" or doing what was best for the NFL and not necessarily just best for their own franchise. This mind set also led to greater economic parity among football teams (Helyar, Lords 65). It is this kind of league think that Major League Baseball owners need to subscribe to in order to straighten their ship today. My form of revenue sharing promotes league think because it recognizes that every team will benefit from the greater success of the least profitable team.

In my revenue sharing proposal, the economic playing field has been leveled. This is evidenced by the shrinkage in standard deviation (14.5 million under current system compared to 8.6 million after revenue sharing). With a more level playing field the "poorer" teams would have a greater chance at becoming more competitive on the field through smart player transactions. As these teams become more competitive on the field they will become more successful financially. When the "poorer" teams become "richer" they will rely less on money received through sharing. Ultimately, there would become a time when no money would transfer during the revenue sharing process because all teams would be on the same economic level (in order for this scenario to be reached, the effects of the superstations would somehow have to be neutralized through a system other than revenue sharing).

With a system of revenue sharing in place that will allow all teams to compete economically with each other, there now needs to be constructed a system that will address the owners' need for cost control. This system is some type of salary cap that will enable teams to stay within their means and remain financially viable.

> It should have worked. The structure seemed reasonable. The owners themselves were responsible for it working so badly. What happened was that baseball wasn't governed by supply and demand. The owners wanted to win so badly they didn't care about breaking even.
>
> -Lee MacPhail (Helyar, Lords 214)

The "it" referred to by former American League President Lee MacPhail was the 1976 Basic Agreement that created free agency. Today the owners realize that they have messed up the system. As a result they want to create a new system that would solve their problems. This new system would, in their words, "allow the clubs to know what percentage of revenues they can utilize to invest in their teams" (Levine & Bierig, 7). This is otherwise known as "cost control", something the owners greatly need. The essential component to this system is a salary cap.

The owner say that they need a cap so that they do not spend themselves into oblivion (Helyar, Lords 414). In other words, they were not capable of fiscal responsibility so they asked the players to help them. As expected, the players outright refused to agree to any sort of salary cap on the grounds that it would depress salaries. As a result the Major League Baseball Players Association struck on August 12, 1994.

Throughout negotiations, the salary cap was the biggest sticking point because neither side seemed willing to budge on their position. The owners continued to cry poverty. The players responded by asking them to prove it. The owners, in turn, opened their books and pointed to the nineteen teams losing money. The players took the books and had their own accountants look them over. When they were finished with them only eight teams were not turning a profit. The owners warned of the financial Armageddon baseball was headed towards as a result of the continuously escalating salaries. The players countered by pointing out that revenues were at an all time high. The verbal warfare continued and the strike dragged on and on with no end in sight.

The owners kept telling the fans that a salary cap was essential to the survival of Major League Baseball. After all, the National Basketball Association (NBA) was saved by the installation of a cap in the early eighties and the National Football League (NFL) had recently instituted a cap of its own. If a cap was the right remedy for their problems than it must be the answer to baseball's. However, when Jerry

Reinsdorf, owner of the Chicago White Sox and the NBA's Chicago Bulls, was questioned as to why, if a salary cap is such a miracle cure, his Bulls were being investigated by the NBA for possibly circumventing the salary cap, he responded by saying that basketball is different than baseball.

Maybe the salary caps were not the perfect cure all they seemed to be. In the NBA, the Players Association was trying to do away with the cap while some of the owners, like Mr. Reinsdorf, were trying to find loopholes in it. In the NFL, many players felt that they got the raw end of the deal when they agreed to a cap. So much so that early on in the baseball negotiations it seemed as if a day did not go by without a football player calling a baseball player and telling him, "Don't be a schlep in your negotiations like we were." (Chass, "Baseball's Next Step" 6). Nothing seemed to matter because the owners appeared determined to establish a cap for the 1995 season.

With salary caps taking such an important role in sports today, one must wonder what exactly a salary cap is and why it causes such commotions. In plain words, a salary cap is an arbitrary limit to the amount a team can spend on players' salaries. A soft cap, used by the NBA, allows a team to sign its own free agent players without regard to the limit. That is why many teams are over the limit. However, if a team wishes to sign a player from another team, they must first clear room for him under the cap. Because of this, a soft cap does not greatly depress salaries. What it does, though, is limit a player's mobility. The cap used in the NFL is considered hard because any and all contracts signed must fit under the salary cap. This fact works to depress salaries while not negating player movement as much. (For a comparison of the various type of caps please refer to appendix E.)

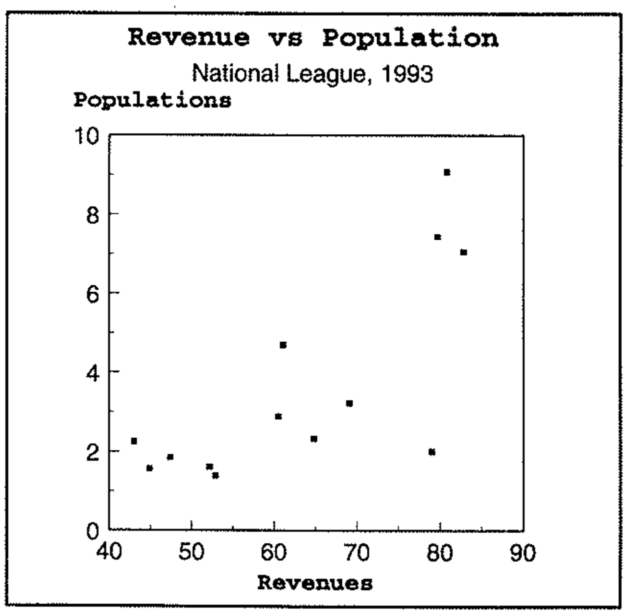
Both hard and soft caps force a large population of players out of the game. With a cap, teams are limited in how much they can spend on players. In any system certain players will command top dollar. However, under a cap, as these players continue to receive their big contracts, there exists less money under the cap to fill out the rest of a team's roster. This "shortage" of available funds will affect those players that are not of star quality but are, none-the-less, worth more than the minimum. It is these average-talent veterans who will find themselves squeezed out of baseball. Randy Smith, General Manager of the San Diego Padres, summed this situation up best when he said, "You're still going to have to pay the franchise players...But others are getting the squeeze." (Helyar, "Squeeze Play" 1).

As these players are forced out of the game, what happens to the game itself? One thing that will occur is that there will be great turnover at the bottom of the roster. As players gain experience, and ultimately qualify for free agency, they will price themselves out of the game. Replacing them on rosters will be young players making the minimum salary. As these players gain experience they will then find themselves on the outside. Currently, this is already occurring. Solid veteran players are having trouble finding jobs and when they do find offers they often find themselves accepting pay cuts in order to stay in the game. During the 1993 off season, forty-nine players who made $1 million or more became free agents. Of these players only sixteen received raises (Helyar, "Squeeze Play" 1). The remaining twenty-three players found themselves either with unguaranteed and/or less lucrative contracts or out of baseball.

With this turnover occurring there becomes an increased demand for players to fill out rosters. However, skilled baseball players are rare. After all, as former Commissioner A. Bartlett Giamatti told a congressional hearing discussing the possible expansion of the Major Leagues, "Hitting a major league fastball, sir, is perhaps the most difficult act in American sport. Major league baseball players of the kind of quality the American people have had every right to expect since 1876 are scarce items." (Helyar, Lords 464). Michael Jordan can be an example of this, the greatest athlete of this era could not hack it in baseball. With the supply of quality baseball players being limited, the talent level of the play on the field is bound to take a downturn. As the quality of the product declines it makes it more difficult to market because the drawing power of professional athletics is dependant on the fans' willingness to pay to see athletes perform with extraordinary ability. As the ability level declines and comes closer to the ability of the semi-talented fan, they will be less inclined to pay money. As a result, the overall attractiveness of the league suffers. The fact that this is already beginning to occur once again demonstrates the owners tendency to seek short term solutions rather than long term cures.

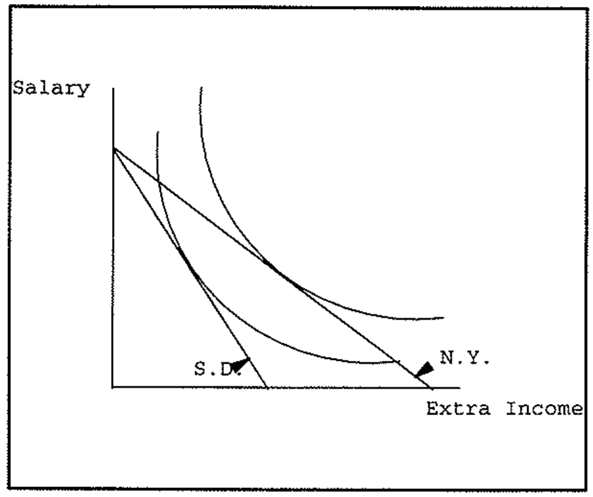
The owners' claim that a salary cap is critical to their need for cost control and achieving economic equality. However, all is not as the owners would have us believe. As stated before, a cap may act to stratify the players. It also has the ability to do the same to the owners. One of the essential functions of the cap is to depress salaries. As the salaries decline, the players will look towards other avenues in order to keep their revenues at the levels that they have now become accustomed to. The most obvious source of extra income for athletes is through endorsements. It is by this fact that the owners will become divided. As players sign contracts with an eye towards securing endorsements, certain teams will begin to enjoy an advantage based upon the size of their media market. That is, teams in large markets will have an advantage in signing the premium players because they will be able to, effectively, offer more money as a result of their market. Is not this the same situation that the owners say a salary cap will save them from?

When a free agent player shops his skills around in today's market he will generally choose the most lucrative offer. There have been a few exceptions but generally it is the money that gets the player. Currently, as the accompanying graph shows, the teams with the most money are the teams in the biggest markets; therefore, it is no coincidence that the three top money making teams in the National League play in the three largest metropolitan areas in the United States. Also of note is the fact that four out of the poorest five teams (not including Montreal) play in the four smallest markets.

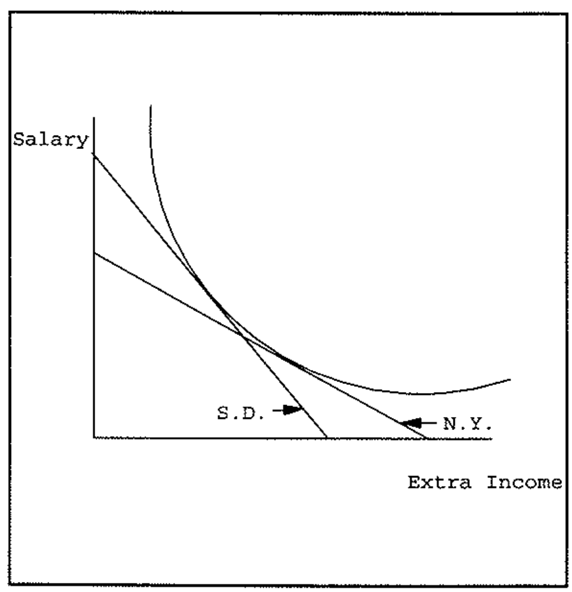


Under a salary cap system, the teams that would most benefit would be the teams in the larger markets, ie. the teams with the greater revenues. This will occur because the salary cap will work to depress salaries across the boards. Therefore, the large market teams will be able to sign the high priced free agents for a lower price because they are the teams that can offer the player the most in terms of extra money. One assumption of this theory is that the large market teams would pursue and sign the premier free agents at the higher prices in the absence of the salary cap.

As we can see from the following graphs, the large market teams have the ability to offer the players the greater degree of happiness (assuming that money is a major factor in one's happiness, therefore, more money would equal more happiness). This is evidenced by the fact that the large market team allows the player to reach a higher indifference curve. For the sake of example, we will refer to the large market team as New York and the small market team as San Diego. On the y-axis we have salary. The budget lines presented to the player by both teams will intersect this axis at the same point representing equal offers. On the x-axis is extra money, endorsements. It is on this axis that the budget line offered by New York will exceed the intersection of San Diego's. As a result, the budget line presented by New York will allow the player to reach a higher indifference curve. Therefore, he will sign in New York rather than San Diego.



From this graph we see that the offers, while identical on the surface, were unequal. This brings us to the next graph. In this one we have the salary offer by San Diego great enough so that, in the end, it is equal to New York's offer. This means that the highest indifference curve can be reached by both budget lines. As a result, we see that the small market teams must pay higher salaries to sign the marquee players. Having a salary cap that works



to depress salaries just means that, while the big markets continue to sign the star players, they will get them at a "discount". This is contradictory to the owners reasons for needing a salary cap.

One of the ways in which the owners seek to create a salary cap is by instituting a tax on payrolls over a predetermined amount. This system would also be their form of revenue sharing in that the tax revenue would be distributed among the small market teams. However, this system does not directly solve the problem addressed by revenue sharing because some large market teams do not have excessively large payrolls and, therefore, would not pay taxes. On the other hand, some small market teams have high payrolls and they would then be funding the revenue sharing that is supposed to be benefiting them. That is why I feel that revenue sharing should be financed by revenues and not salaries which led me to my previous proposal of how to share revenues.

Taxing payrolls will also not work to "cap" salaries. If a team is near the cap, in order for them to sign a player, they must pay more than the other teams bidding for that player. Since they have larger resources this does not present a particularly pressing problem. In the end, the large market teams will win the services of the star players. In this scenario they will pay more for that player and the problem of the small markets being unable to afford star players is perpetuated.

If we can create an example this point can be demonstrated. Los Angeles, a large market team, and San Diego, a small market team, find themselves in a bidding war for a marquee player. Los Angeles is $4 million under the cap and if they exceed the cap they will be taxed at a rate of 30% for any amount over the cap. San Diego, being closer to the salary floor than the ceiling, tenders the player an offer of $5 million. Los Angeles, feeling that they are one player away from a championship and that player being the free agent in question, decides that they can not lose this player-especially to a divisional rival. To this end they make him an offer of $5.5 million which, in effect, will cost them $5.95 million [$5.5 + tax of $.45 ($1.5*30%)]. San Diego, not being able to match the offer, will lose the player. Once again, the large market team wins out.

An arbitrarily set salary cap is not viable because there are too many ways to get around it and it does not address the problems the owners claim it will solve. As a result, I propose a concrete cap for salaries: salaries can not exceed revenues. This appears to be a fairly straight forward concept: you can not spend more than you make. However, it sometimes seems as if the owners have lost grasp of this idea.

If they want a salary cap, let them have this one.

I realize that salaries are not the only cost the owners have and, as a result, it is not viable to have salaries equal revenues. However, once we subtract these non-payroll expenses from total revenues we will have an amount that can be totally paid out in the form of salaries. That is, we will adjust revenues so that the cap can equal total, adjusted revenues. Using the numbers from the 1993 season, after revenue sharing (which can be found on page 29), we can see exactly what the salary cap would look like.

TEAM	Total Revenue	Other Expenses	Salary Cap
Atlanta	68.9	26.8	43.6
Chicago	74.7	29.7	46.5
Cincinnati	56.1	12.0	44.9
Colorado	58.1	22.9	36.0
Florida	53.0	8.3	45.4
Houston	62.7	19.1	44.7
Los Angeles	72.6	27.0	47.1
Montreal	52.2	17.0	36.0
New York	72.6	29.9	44.2
Philadelphia	59.7	23.9	36.9
Pittsburgh	49.0	15.2	34.9
St.Louis	63.7	20.0	44.4
San Diego	53.2	18.0	35.9
San Francisco	68.5	27.5	42.1

The cap shown above lists a maximum amount that can be paid out in the form of salaries in order for the team to break even. Under my system of sharing, expenses as well as revenues, the cap may even become higher. This will happen because some of the "other expenses" will be shared among all fourteen teams which would, most likely, lead to lowered total costs.

Having this cap in place will guarantee that no team will operate at a loss. In order to assure that no team exceeds the cap, therefore, incurring a loss, the method in which players are paid needs to be revised. Currently, when a player signs a contract he agrees to one that will pay him "X" amount of dollars, regardless of the team's ability to pay. To prevent the owners from overspending, salaries should be offered that will pay the player a percentage of the cap. Under this method, no team can overspend, unless they can not add to one hundred.

Using percentages to value contracts solves two of the major problems that baseball faces. The first is fiscal restraint and responsibility. This is achieved by the fact that no team can spend more money than it has, contingent on the abolishment of salary arbitration. The second problem is the player/owner relationship. Under this system, players will be more directly responsible for their salaries. That is, the more money a team brings in the more one percent of that team's revenue is worth. If the game is the overall product of baseball and the main inputs of a game are the players, then, the better the players perform the greater the demand for the game. Greater demand will ultimately lead to increased revenues and salaries.

By adding another aspect to this system, we can cause the owners to also become more responsible for their profits. Since this system does not fully allow for a team to turn a profit, we need to create a mechanism that will. In order to accomplish this, we will allow owners to set aside a percentage of the cap for themselves as profit. This will motivate the owners to field a competitive team. It also causes the owners to be accountable for their profits. After all, if an owner sets aside ten percent for his profit while paying his star player only eight percent, he will need to justify his "salary" to, not only the players but also, the media and fans. This system will force the players and owners to work together in order to achieve a maximum return on their investment.

This system of salaries has one flaw to it: if players are paid on the basis of last year's revenues, what would entice a player to sign with a low revenue producing team? If a player does sign with a low revenue team, his salary the first year will be determined without his input. If he does initiate a turn around in the team, his first year salary will not reflect this. To combat this problem a percentage of the available revenues will be set aside to be paid out as bonuses to newly signed players. The net change in the amount of payroll available revenues will be calculated and the new players will receive a previously agreed upon percentage of the difference. This will allow the players to realize the benefit of their performance to the team. It will also add incentive for players to sign with low revenue teams.

Players and owners working together to increase the revenues of baseball will allow baseball to head into the future with a sense of stability. With both sides striving for a common goal they will be able to work together as partners rather than adversaries. This could cause the labor strife that has plagued baseball throughout its recent history to become a thing of the past. Both sides will be getting all that they could ask for in terms of money. No longer could either side feel cheated by the other because the players' salaries will be set by their collective performance and the owners profits will be determined by their ability to assemble a marketable and successful product. There will be no fingers to point except at themselves.

This salary system will allow teams to become financially viable because they can not overspend on players. It also forces both the players and owner to be more accountable because their actions will have a greater bearing on their respective financial successes. Another advantage to this system, along with the previously outlined revenue sharing scheme, is that they answer the owners' need for cost control and the players' need to be paid what they are worth.

Baseball has survived a lot in its history. However, as it celebrated its 125th anniversary it faced its biggest challenge - an eight month strike. When the players walked out on August 12, 1994, everybody involved had a suspicion that this strike could last a long time. There were hints that the owners were prepared to sacrifice the 1995 season in order to break the union and the players were unified in their stance that they were not going to give up the things they had won in past negotiations. As the strike wore on things did not look hopeful, especially after the owners canceled the 1994 World Series. As spring training started with replacements and negotiations occurring at a lackadaisical pace, the future of baseball seemed in jeopardy. Fortunately for every baseball fan in America the court system stepped in and real baseball returned. However, even though the major leaguers are back on the field, all is not well. We still find ourselves in a tie ballgame and the rain clouds blowing in. The game is not over. It is just in extra innings.

In the next few months those controlling the fate of the game have to come together and negotiate an agreement that will allow us to, once again, be able to count on hearing the familiar chorus of "Play Ball!" on a warm autumn's eve.

Without a settlement the future still hangs in doubt. What I have done in this proposal is construct a possible solution that may be able to cure baseball. I feel that it addresses the most glaring needs that have been brought up during the past few months.

Lou Melendez, a lawyer for the owners, mentioned cost control as one of the key issues. The owners are not able to competently budget because they do not always know what their payrolls will be from season to season (Melendez, 1). My proposed salary cap answers this need by assuring that a team's payroll will never exceed a given percentage of the its total revenues. This system also does not work to depress salaries which is a huge concern of the Players Association. My system also includes such benefits as practically guaranteeing a profit for the owners and unlimited money for the players.

Another concern is that some teams are unable to compete economically and, therefore, some type of revenue sharing needs to be instituted. My first reaction to this is to echo the words of the former owner of the San Diego Padres, Ray Kroc:

> I think baseball has to allow a couple of the weaker clubs that can't survive without help to fold. I know that sounds hard, but that's what happens in other businesses. And once the threat of that possibility comes into focus, it might

> scare some owners out of paying those outrageous salaries...There has never been a team in baseball that has gone bankrupt. And until some clubs go bankrupt, until some owners go out of business, there is nothing to prove we can't stand the gaff."
>
> (Jennings, 74)

Mr. Kroc said these words in 1979 and still today no team has gone bankrupt. Someone or something, always bails a floundering team out. Since it does not appear that any team will fold in the foreseeable future, I devised a system that would share revenues in a way that seems the most fair and equitable. Using the premise that it takes two teams to produce a baseball game, my system evenly shares the revenue that is a direct result of the game. Under my system such revenues as television money and gate receipts would be more equally shared. This would help the poorer teams to survive financially while not appearing to be taking hand outs from the richer teams because, in essence, the teams earn the revenue they receive through sharing. Currently, the proposal on the table in the negotiations is a revenue sharing system that is funded through a tax on payroll. To me, this does not seem logical. If we are sharing revenues why should the money come from an expense and not a revenue? This is another reason why I constructed a system as I have.

Whether or not baseball adopts a plan similar to mine, one thing remains certain: it needs to come to some conclusion so that it can finally have labor stability. Once baseball has this it then needs to reconcile itself with its fans. After all, without fans there would be no revenues to share or baseball. Larry Himes, former general manager of the Chicago Cubs, said it best when he said, "Our major problem is the perception of our industry being greedy and not caring about our fans" (Himes, 2). I can not fault the players for getting their huge salaries. Adam Smith said that an occupation such as professional athletics require special skills that are possessed by a relative few. Therefore, the demand for people with the required skills often exceeds the supply so that the price they can charge increases accordingly (Bok, 10). It is also said that there is enough money in baseball for all parties to be content. So the problem lies not in the big salaries or the huge profits but in the perception that the fans do not matter. This is the real challenge that baseball faces.

The first step to reconciling this problem is to create harmony between the players and owners. This can be accomplished through my proposals. With systems such as mine in place, baseball can take the next step of reconciling itself with the fans. By tying salaries to revenues the players will have an extra incentive to make peace with the fans because the more the fans follow baseball the more revenue baseball receives and the higher the players' salaries become, likewise for the owners' profits. So, as long as the players and owners keep the fans happy the more money each has the potential to gain. And, if the fans are happy, everybody comes out a winner.

Appendix A

Numbers for "Revenues vs Winning Percentages" Graph (pg. 17)

Team	Revenues	Winning %
Atlanta	79.0	.642
Chicago	82.8	.519
Cincinnati	52.9	.451
Colorado	52.2	.414
Florida	44.9	.395
Houston	60.5	.525
Los Angeles	79.7	.500
Montreal	46.2	.580
New York	80.8	.364
Philadelphia	61.1	.599
Pittsburgh	43.0	.463
St. Louis	64.8	.537
San Diego	47.7	.377
San Francisco	69.1	.636

Revenue figures are in million dollars and are from Ozanian, 52.

Winning Percentages are from "National League Standings", 18.

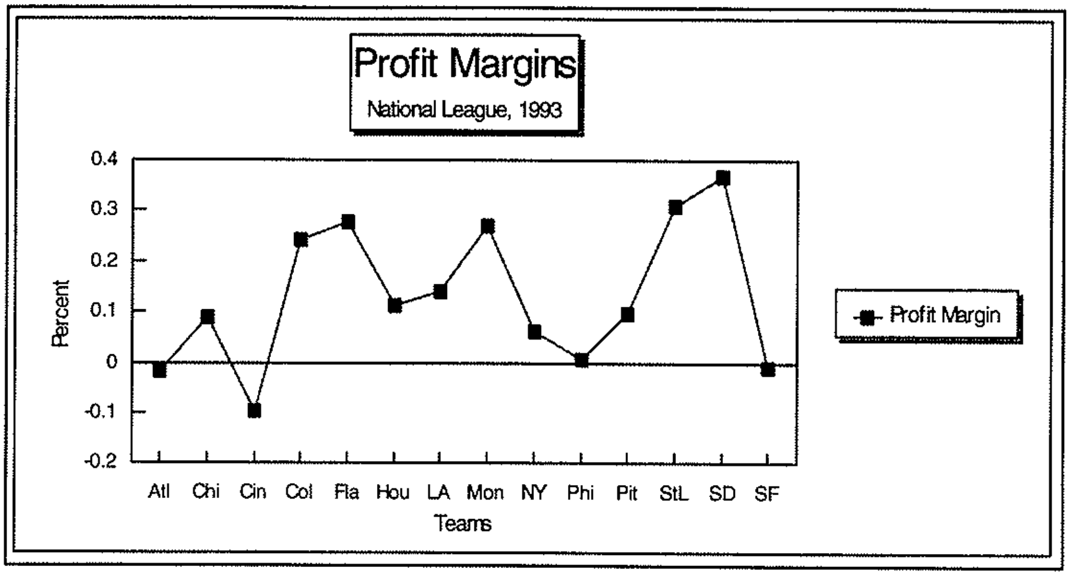
Appendix B

Numbers for "Revenues & Expenses" Graph (pg. 23)

Team	Revenues	Expenses	Income
Atlanta	79.0	80.4	(1.4)
Chicago	82.8	75.4	7.4
Cincinnati	52.9	57.9	(5.0)
Colorado	52.2	39.5	12.7
Florida	44.9	32.4	12.5
Houston	60.5	53.8	6.7
Los Angeles	79.7	68.6	11.1
Montreal	46.2	33.8	12.4
New York	80.8	75.9	4.9
Philadelphia	61.1	60.6	0.5
Pittsburgh	43.0	38.9	4.1
St. Louis	64.8	44.8	20.0
San Diego	47.7	30.2	17.5
San Francisco	69.1	69.8	(0.7)
TOTALS	864.7	762.0	102.7
Average	61.8	54.4	7.3

All figures in million dollars and are from Ozanian, 52.

Appendix C
Profit Margin graph



Team	Profit Margin
Atlanta	-1.7%
Chicago	8.9%
Cincinnati	-9.5%
Colorado	24.3%
Florida	27.8%
Houston	11.1%
Los Angeles	13.9%
Montreal	26.8%
New York	6.1%
Philadelphia	0.8%
Pittsburgh	9.6%
St. Louis	30.9%
San Diego	36.7%
San Francisco	-0.1%

Appendix D
Numbers for "Revenues" Graph (pg. 25)

Team	Gate	Media	Stadium
Atlanta	35.4	35.0	8.6
Chicago	30.3	36.0	16.5
Cincinnati	18.8	25.0	9.1
Colorado	33.3	5.0	13.9
Florida	28.7	5.0	11.2
Houston	19.7	26.2	14.6
Los Angeles	29.9	34.0	15.8
Montreal	14.2	24.0	8.0
New York	20.3	46.1	14.4
Philadelphia	24.6	28.0	8.5
Pittsburgh	14.4	23.5	5.1
St. Louis	25.0	27.0	12.8
San Diego	14.1	25.0	8.6
San Francisco	23.6	27.5	18.0
TOTALS	332.3	367.3	165.1
Average	23.7	26.2	11.8
Standard Deviation	7.1	10.9	3.9
Coefficient of Var.	0.3	0.4	0.3

All figures in million dollars and are from Ozanian, 52.

Appendix E

Summary of the effects of the various salary cap plans

Possible effects of a salary cap	Type of salary cap: Soft cap	Hard cap	Payroll tax	My proposal
Stratify players	YES	YES	YES	NO
Wipe out middle class	MAYBE	YES	MAYBE	NO
Decrease player mobility	YES	MAYBE	NO	NO
Depress salaries	NO	YES	MAYBE	NO
Guarantee profits for owners	NO	NO	NO	YES
Create accountability	NO	NO	NO	YES

Of the possible effects of salary caps, the first four are negative effects while the last two can be seen as positives.

Only my plan provides the positive aspects along with not having the negative affects.

Appendix F
Numbers for "Population vs Revenue" Graph (pg. 39)

Team	Population	Revenue
Atlanta	2.01	79.7
Chicago	7.06	82.8
Cincinnati	1.39	52.9
Colorado (Denver)	1.62	52.2
Florida (Miami)	1.57	44.9
Houston	2.89	60.5
Los Angeles	7.45	79.7
Montreal	----	----
New York	9.08	80.8
Philadelphia	4.70	61.1
Pittsburgh	2.26	43.0
St. Louis	2.34	64.8
San Diego	1.86	47.7
San Francisco	3.23	69.1

Population figures are in millions of people and from Volume Library, 2156.

Revenue figures are in million dollars and from Ozanian, 52.

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